



# RANE ENGINE VALVE LIMITED

## Q2FY23 Earnings Release



**Ponneri, Thiruvallur District, October 18, 2022 – Rane Engine Valve Limited** (NSE: RANEENGINE; BSE Code:532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the second quarter (Q2 FY23) and six months (H1 FY23) ended September 30th, 2022.

### Q2 FY23 Performance

- Total Revenue was ₹123.3 Crore for Q2 FY23 compared to ₹100.4 Crore in the Q2 FY22, an Increase of 22.9%
- EBITDA stood at ₹8.3 Crore compared to ₹3.5 Crore during Q2 FY22, an increase of 135.0%
- EBITDA Margin at 6.7% for Q2 FY23 against 3.5% in Q2 FY22
- Net Loss stood at ₹0.04 Crore for Q2 FY23 compared to Loss of ₹3.1 Crore in Q2 FY22

### H1 FY23 Performance

- Total Revenue was ₹238.3 Crore for H1 FY23 compared to ₹176.4 Crore in the H1 FY22, an increase of 35.1%
- EBITDA stood at ₹11.6 Crore compared to ₹1.3 Crore during H1 FY22
- EBITDA Margin at 4.9% for H1 FY23 against 0.7% in H1 FY22
- Net Loss stood at ₹3.2 Crore for H1 FY23 compared to Loss of ₹8.9 Crore in H1 FY22

### Operating Performance for Q2 FY23

- Sales to India OE customers grew by 18% supported by robust demand from Passenger Vehicle and non-automotive customers.
- Export Sales grew by 40%. Demand from International customers remained strong.
- Sales to Indian Aftermarket customers grew by 3%
- EBITDA margin improved by 320 bps
  - Improved operational performance and price recovery from customers helped mitigate increase in material cost and unfavourable mix
  - Higher volumes helped manage employee costs

### MANAGEMENT COMMENT

"Favorable demand and improved operational performance helped the company further improve during Q2 FY23. We continue to experience higher commodity price particularly in special alloys. Management is working to mitigate the impact through combination of improved operational performance and customer recovery. The demand environment remains strong with the ongoing festive season, however we remain cautious given the global economic situation and tightening monetary policy."

**L. Ganesh, Chairman, Rane Group**

### BUSINESS HIGHLIGHTS

#### Financial Performance

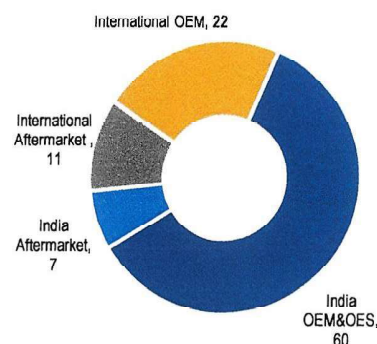
Particulars	Q2FY23	Q2FY22	YOY%
Total Revenue	123.3	100.4	22.9%
EBITDA	8.3	3.5	135.0%
Margin (%)	6.7%	3.5%	320 bps
PAT	-0.04	-3.1	98.7%

Particulars	H1FY23	H1FY22	YOY%
Total Revenue	238.3	176.4	35.1%
EBITDA	11.6	1.3	827.9%
Margin (%)	4.9%	0.7%	417 bps
PAT	-3.2	-8.9	64.5%

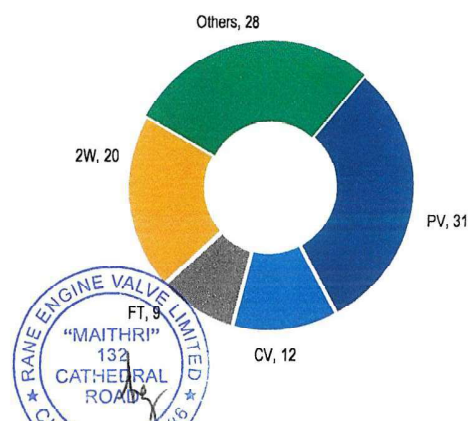
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (Q2 FY23)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



### PROFIT AND LOSS ACCOUNT

Particulars	Q2FY23	Q1FY23	QoQ%	Q2FY22	YoY%	H1FY23	H1FY22	YoY%
Income from Operations	122.9	114.9	7%	99.6	23%	237.8	175.0	36%
Other Income	0.4	0.1	315%	0.8	-43%	0.5	1.3	-60%
<b>Total Revenue</b>	<b>123.3</b>	<b>115.0</b>	<b>7%</b>	<b>100.4</b>	<b>23%</b>	<b>238.3</b>	<b>176.4</b>	<b>35%</b>
<b>Expenses</b>								
-Cost of Material Consumed	53.8	47.6	13%	41.9	28%	101.4	75.6	34%
-Purchase of stock-in-trade	2.4	2.2	7%	2.2	8%	4.6	3.6	28%
-Changes in inventories	-1.8	0.2		-2.4		-1.6	-10.1	
-Employee Benefit Expense	30.6	30.2	1%	28.5	7%	60.8	55.5	9%
-Finance Cost	2.5	1.9	30%	2.0	28%	4.5	3.6	24%
-Depreciation & Amortization	4.7	4.9	-4%	5.1	-9%	9.5	10.1	-6%
-Other Expenditure	30.1	31.4	-4%	26.6	13%	61.5	50.5	22%
<b>Total Expenses</b>	<b>122.2</b>	<b>118.4</b>	<b>3%</b>	<b>104.0</b>	<b>18%</b>	<b>240.7</b>	<b>188.9</b>	<b>27%</b>
<b>PBT before Exceptional Items</b>	<b>1.1</b>	<b>-3.4</b>		<b>-3.6</b>		<b>-2.3</b>	<b>-12.5</b>	<b>81%</b>
Exceptional Item	-1.2	-1.1		-0.9		-2.2	-0.9	
<b>PBT</b>	<b>-0.1</b>	<b>-4.5</b>	<b>99%</b>	<b>-4.5</b>	<b>99%</b>	<b>-4.5</b>	<b>-13.4</b>	<b>66%</b>
Tax Expense	-0.0	-1.4	98%	-1.4	98%	-1.4	-4.5	69%
<b>PAT</b>	<b>-0.0</b>	<b>-3.1</b>	<b>99%</b>	<b>-3.1</b>	<b>99%</b>	<b>-3.2</b>	<b>-8.9</b>	<b>65%</b>

### KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2022	As at 31.03.2022
<b>Non-current assets</b>	<b>138.2</b>	<b>136.0</b>
-Property, Plant and Equipment	76.0	80.0
-Financial Assets	7.1	6.8
<b>Current assets</b>	<b>185.8</b>	<b>175.6</b>
-Inventories	88.3	88.2
-Trade receivables	87.5	79.5
-Cash and cash equivalents	0.5	0.9
<b>Total Assets</b>	<b>324.0</b>	<b>311.6</b>
<b>Shareholders Fund</b>	<b>94.2</b>	<b>97.2</b>
<b>Non-current liabilities</b>	<b>51.6</b>	<b>48.3</b>
-Long-term borrowings	33.9	30.9
<b>Current liabilities</b>	<b>178.1</b>	<b>166.1</b>
-Short-term borrowings	94.8	96.7
-Trade payables	70.5	53.6
<b>Total Liabilities</b>	<b>229.7</b>	<b>214.4</b>
<b>Total Equity and Liabilities</b>	<b>324.0</b>	<b>311.6</b>

(In ₹ Crore, unless otherwise mentioned. The sum of the sub-segment amounts may not equal the total amounts due to rounding off)



### ABOUT RANE ENGINE VALVE LIMITED

Established in 1959, Rane Engine Valve Limited (REVL) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. REVL manufactures engine valves, valve guides and tappets for various IC engine applications. REVL is market leader in Indian OEM and replacement markets. REVL caters to all segments of automobile industries such as PV, CV, Tractors, 2W, 3W, stationary engines, railways and marine engines.

### ABOUT RANE GROUP

Headquartered in Chennai, India, Rane Group is engaged primarily in manufacturing auto components for well over five decades. Rane Group is a preferred supplier to major OEMs in India and abroad. Through its group companies, it provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, light metal casting products and Connected mobility solutions. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and stationary Engines.

IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,  
PLEASE FEEL FREE TO CONTACT: [INVESTORSERVICES@RANEGROUP.COM](mailto:INVESTORSERVICES@RANEGROUP.COM) OR [DIWAKAR.PINGLE@IN.EY.COM](mailto:DIWAKAR.PINGLE@IN.EY.COM)

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to